

§ 35.6235 Cost sharing.

A State must provide at least ten percent of the direct and indirect costs of all activities covered by the Core Program Cooperative Agreement. Indian Tribes are not required to share in the cost of Core Program activities. The State must provide its cost share with non-Federal funds or with Federal funds, authorized by statute to be used for matching purposes. Funds used for matching purposes under any other Federal grant or Cooperative Agreement cannot be used for matching purposes under a Core Program Cooperative Agreement. The State may provide its share using in-kind contributions if such contributions are provided for in the Cooperative Agreement. The State may not use CERCLA State credits to offset any part of its required match for Core Program Cooperative Agreements. (See § 35.6285 (c), (d), and (f) regarding credit, excess cash cost share contributions/over match, and advance match, respectively.)

SUPPORT AGENCY COOPERATIVE
AGREEMENTS

§ 35.6240 Eligibility for support agency Cooperative Agreements.

States, political subdivisions, and Indian Tribes may apply for support agency Cooperative Agreements to ensure their meaningful and substantial involvement in response activities, as specified in sections 104 and 121(f)(1) of CERCLA and the NCP (40 CFR part 300).

§ 35.6245 Allowable activities.

Support agency activities are those activities conducted by the recipient to ensure its meaningful and substantial involvement. The activities described in section 121(f)(1) of CERCLA, as amended, and in subpart F of the NCP (40 CFR part 300), are eligible for funding under a support agency Cooperative Agreement. Participation in five-year reviews of the continuing protectiveness of a remedial action is also an eligible support agency activity.

§ 35.6250 Support agency Cooperative Agreement requirements.

(a) *Application requirements.* The applicant must comply with the require-

ments described in § 35.6105(a)(1) and (3), and other requirements as negotiated with EPA. (Indian Tribes are exempt from the requirement of Inter-governmental Review in 40 CFR part 29.) An applicant may submit a non-site-specific budget for support agency activities.

(b) *Cooperative Agreement requirements.* The recipient must comply with the requirements regarding financial administration (§§ 35.6270 through 35.6290), property (§§ 35.6300 through 35.6450), procurement (§§ 35.6550 through 35.6610), reporting (§§ 35.6650 through 35.6670), records (§§ 35.6700 through 35.6710), and other administrative requirements under a Cooperative Agreement (§§ 35.6750 through 35.6790).

COMBINING COOPERATIVE AGREEMENTS

§ 35.6260 Combining Cooperative Agreement sites and activities.

(a) EPA may award a Cooperative Agreement to a recipient for:

(1) A single activity, or multiple activities;

(2) A single activity at multiple sites; and

(3) Except as provided in paragraphs (b), (c), and (d) of this section, multiple activities at multiple sites.

(b) EPA will not award or amend a Cooperative Agreement to a political subdivision to conduct multiple activities at multiple sites. Before awarding or amending a Cooperative Agreement to permit multiple activities at multiple sites, EPA must determine that the State or Indian Tribe has adequate administrative, technical, and financial management and tracking capabilities. A State's or Indian Tribe's request for such a Cooperative Agreement will be considered only if EPA determines that consolidating these activities under one Cooperative Agreement would be in the Agency's best interests.

(c) EPA will not award a single Cooperative Agreement to conduct multiple remedial actions at multiple sites.

(d) EPA will require separate Cooperative Agreements for eligible removal actions that exceed the statutory monetary ceiling or whenever a consistency waiver is likely to be sought.

Environmental Protection Agency

§ 35.6280

FINANCIAL ADMINISTRATION REQUIREMENTS UNDER A COOPERATIVE AGREEMENT

§ 35.6270 Standards for financial management systems.

(a) *Accounting system standards*—(1) *General*. The recipient's system must track expenses by site, activity, and, operable unit, as applicable, according to object class. The system must also provide control, accountability, and an assurance that funds, property, and other assets are used only for their authorized purposes. The recipient must allow an EPA review of the adequacy of the financial management system as described in 40 CFR 31.20(c).

(2) *Allowable costs*. The recipient's systems must comply with the appropriate allowable cost principles described in 40 CFR 31.22.

(3) *Pre-remedial*. The system need not track expenses by site. However, all pre-remedial costs must be documented under a single Superfund account number designated specifically for the pre-remedial activity.

(4) *Core Program*. Since all costs associated with Core Program Cooperative Agreements are non-site-specific, the systems need not track expenses by site. However, all Core Program costs must be documented under the Superfund account number(s) designated specifically for Core Program activity.

(5) *Support Agency*. All support agency agreements will be assigned a single Superfund activity code designated specifically for support agency activities. All support agency costs, however, must be documented site specifically in accordance with the terms and conditions specified in the Cooperative Agreement.

(6) *Accounting system control procedures*. Except as provided for in paragraph (a)(3) of this section, accounting system control procedures must ensure that accounting information is:

(i) Accurate, charging only costs attributable to the site, activity, and operable unit, as applicable; and

(ii) Complete, recording and charging to individual sites, activities, and operable units, as applicable, all costs attributable to the recipient's CERCLA effort.

(7) *Financial reporting*. The recipient's accounting system must use actual costs as the basis for all reports of direct site charges. The recipient must comply with the requirements for financial reporting contained in § 35.6670.

(b) *Recordkeeping system standards*. (1) The recipient must maintain a recordkeeping system that enables site-specific costs to be tracked by site, activity, and operable unit, as applicable, and provides sufficient documentation for cost recovery purposes.

(2) The recipient must provide this site-specific documentation to the EPA Regional Office within 30 working days of a request, unless another time frame is specified in the Cooperative Agreement.

(3) In addition, the recipient must comply with the requirements regarding records described in §§ 35.6700, 35.6705, and 35.6710. The recipient must comply with the requirements regarding source documentation described in 40 CFR 31.20(b)(6).

(4) For pre-remedial and Core Program activities, the recordkeeping system must comply with the requirements described in paragraphs (a)(3) and (a)(4) of this section.

§ 35.6275 Period of availability of funds.

(a) The recipient must comply with the requirements regarding the availability of funds described in 40 CFR 31.23.

(b) Except as permitted in § 35.6285, the Award Official must sign the assistance agreement before costs are incurred. The recipient may incur costs between the date the Award Official signs the assistance agreement and the date the recipient signs the agreement, if the costs are identified in the agreement and the recipient does not change the agreement.

§ 35.6280 Payments.

(a) *General*. In addition to the following requirements, the recipient must comply with the requirements regarding payment described in 40 CFR 31.21 (f) through (h).

(1) *Assignment of payment*. The recipient cannot assign the right to receive